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## **Afghanistan: Narcotics and U.S. Policy**

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Christopher M. Blanchard  
Analyst in Middle Eastern Affairs  
Foreign Affairs, Defense, and Trade Division

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# Afghanistan: Narcotics and U.S. Policy

## Summary

Opium poppy cultivation and drug trafficking have become significant factors in Afghanistan's fragile political and economic order over the last 25 years. Since the fall of the Taliban in late 2001, Afghanistan has become the source of 87% of the world's illicit opium and heroin, in spite of ongoing efforts by the Afghan government, the United States, and their international partners to combat poppy cultivation and drug trafficking. Across Afghanistan, regional warlords, criminal organizations, and corrupt government officials continue to exploit opium production and trafficking as reliable sources of revenue and patronage, which perpetuates the threat these groups pose to the country's fragile internal security and the legitimacy of its embryonic democratic government. The trafficking of Afghan drugs also appears to provide financial and logistical support to a range of extremist groups operating in and around Afghanistan, including remnants of the Taliban regime and Al Qaeda operatives. U.N. officials estimate that in-country illicit profits from Afghanistan's record 2004 opium poppy crop were equivalent in value to 60% of the country's legitimate GDP. Some analysts suggest that drug-tainted warlords, tribal leaders, and local officials may jeopardize Afghanistan's security. The issue is further complicated by an aspect of coalition forces' pursuit of security and counterterrorism objectives: frequent reliance on warlords, tribal leaders, and local officials who may be involved in the production and trafficking of narcotics.

The failure of U.S. and international counternarcotics efforts to significantly disrupt the Afghan opium trade or sever its links to warlordism and corruption since the fall of the Taliban has led some observers to warn that without redoubled multilateral action, Afghanistan may succumb to a state of lawlessness and reemerge as a sanctuary for terrorists. Recently-elected Afghan president Hamid Karzai has identified counternarcotics as the top priority for his administration and has stated his belief that "the fight against drugs is the fight for Afghanistan." In 2005, U.S. and Afghan officials plan to implement a multifaceted strategy to provide viable economic alternatives to poppy cultivation and to disrupt the corruption and narco-terrorist linkages that threaten Afghanistan's security and the success of recent counterterrorism and reconstruction efforts. U.S. forces generally do not engage in counternarcotics operations, and policy makers continue to debate military options.

This report describes the structure and development of the narcotics trade in Afghanistan and explores its relevance to Afghan, U.S., and international security interests, including the 9/11 Commission's recommendation that the United States make a long term commitment to the stability and security of Afghanistan. The report provides current statistical information on the opium trade, profiles its various participants, explores alleged narco-terrorist linkages, and reviews the U.S. and international policy response since late 2001. The report also considers current policy debates regarding the role of the U.S. military in future counternarcotics operations in Afghanistan; planned opium poppy eradication; and funding issues for Congress. The report will be updated periodically. For more information on Afghanistan, see CRS Reports RL30588 — *Afghanistan: Post-War Governance, Security, and U.S. Policy* and CRS Report RS21922 — *Afghanistan: Presidential and Parliamentary Elections*.

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# Afghanistan: Narcotics and U.S. Policy

## Introduction

In spite of ongoing international efforts to combat Afghanistan's narcotics trade, U.N. officials estimate that Afghanistan produced a world record opium poppy crop in 2004 that supplied 87% of the world's illicit opium.<sup>1</sup> Afghan, U.S., and international officials have stated that opium poppy cultivation and drug trafficking constitute serious strategic threats to the security and stability of Afghanistan and jeopardize the success of post-9/11 counterterrorism and reconstruction efforts there. In light of the 9/11 Commission's recommendation that the United States make a long-term commitment to the security and stability of Afghanistan, counternarcotics policy has emerged as a focal point of current debates in the Bush Administration and in Congress concerning the United States' key strategic objectives in Afghanistan and the global war against terrorism. This goal may be complicated by a practical necessity: coalition forces pursuing regional security and counterterrorism objectives often rely on the cooperation of warlords, tribal leaders, and local officials who may be involved in the narcotics trade.

Efforts to combat the opium trade in Afghanistan face the challenge of ending a highly-profitable enterprise that has become deeply interwoven with the economic, political, and social fabric of a war-torn country. Afghan, U.S., and international authorities are engaged in a campaign to reverse a growing tide of opium poppy cultivation and heroin production and are preparing to embark on a new multifaceted counternarcotics initiative that will include public awareness campaigns, judicial reform measures, economic and agricultural development assistance, drug interdiction operations, and more robust poppy eradication. The Bush Administration and Congress are currently considering options for continuing and upgrading U.S. support for counternarcotics efforts in Afghanistan in order to meet the challenges posed by the Afghan opium economy to the security of Afghanistan and the international community. Questions regarding the likely effectiveness, resource requirements, and implications of a new counternarcotics strategy in Afghanistan are likely to arise as such options are debated.

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<sup>1</sup> United Nations Office on Drugs and Crime (UNODC)/Government of Afghanistan Counternarcotics Directorate (CND), Afghanistan Opium Survey 2004, November 2004.

## Afghanistan's Opium Economy

Opium production has become an entrenched element of Afghanistan's fragile political and economic order over the last 25 years in spite of ongoing local, regional, and international efforts to reverse its growth. At the time of Afghanistan's pro-Communist coup in 1978, narcotics experts estimated that Afghan farmers produced 300 metric tons (MT) of opium annually — enough to satisfy most local and regional demand and to supply a handful of heroin production facilities whose products were bound for Western Europe.<sup>2</sup> Since the early 1980s, a trend of increasing opium poppy cultivation and opium production has unfolded during successive periods of insurgency, civil war, fundamentalist government, and recently, international engagement (Figures 1 and 2). In 2004, Afghanistan produced a world record opium poppy crop that yielded 4200 MT of illicit opium — an estimated 87% of the world's supply. Narcotics experts describe Afghanistan's opium economy as the backbone of a multibillion dollar drug trade that stretches throughout Central and Southwest Asia and supplies heroin to consumption markets in Europe, Russia, the Middle East, and the United States.<sup>3</sup> Millions of Afghans remain involved with various aspects of the opium trade, including farmers, laborers, traffickers, warlords, and government officials. Some experts have warned that the consolidation of existing relationships between these groups supports negative trends such as warlordism and corruption and threatens to transform Afghanistan into a failed narco-state.

### Current Production Statistics

According to the 2004 Opium Survey conducted by the United Nations Office on Drugs and Crime (UNODC) and the Afghan Counternarcotics Directorate (CND):

- Opium poppy cultivation takes place in every province of Afghanistan (**Figure 3**). Afghan farmers cultivated opium poppy on 131,000 hectares of land during the 2003-2004 growing season, a 64% increase from the 80,000 hectares cultivated in 2003. These figures do not include eradicated land area. The area under cultivation is equal to 3% of Afghanistan's arable land.
- The 2004 opium poppy crop produced 4200 MT of illicit opium, a 17% increase from the 3600 MT produced in 2003. The increase in opium output in 2004 was limited by crop disease, bad weather, and an accelerated harvest linked to eradication fears. A range of accepted opium to heroin conversion rates indicate that the 2004 opium harvest could produce 420 to 700 MT of refined heroin.<sup>4</sup>

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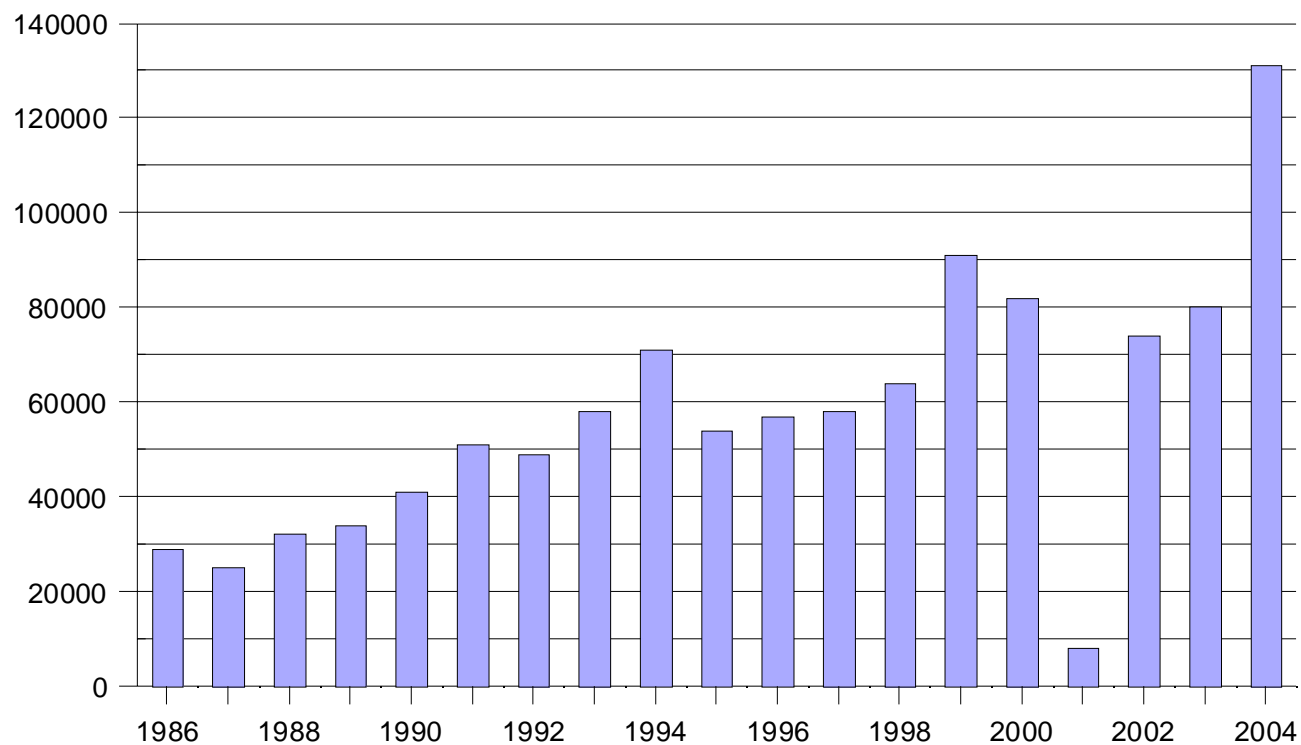
<sup>2</sup> See Jonathan C. Randal, "Afghanistan's Promised War on Opium," *Washington Post*, November 2, 1978, and Stuart Auerbach, "New Heroin Connection: Afghanistan and Pakistan Supply West With Opium," *Washington Post*, October 11, 1979.

<sup>3</sup> UNODC, *The Opium Economy in Afghanistan*, Jan. 2003.

<sup>4</sup> UNODC/CND, *Afghanistan Opium Survey 2004*, November 2004, pp. 105-7.

**Figure 1. Opium Poppy Cultivation in Afghanistan, 1986-2004**

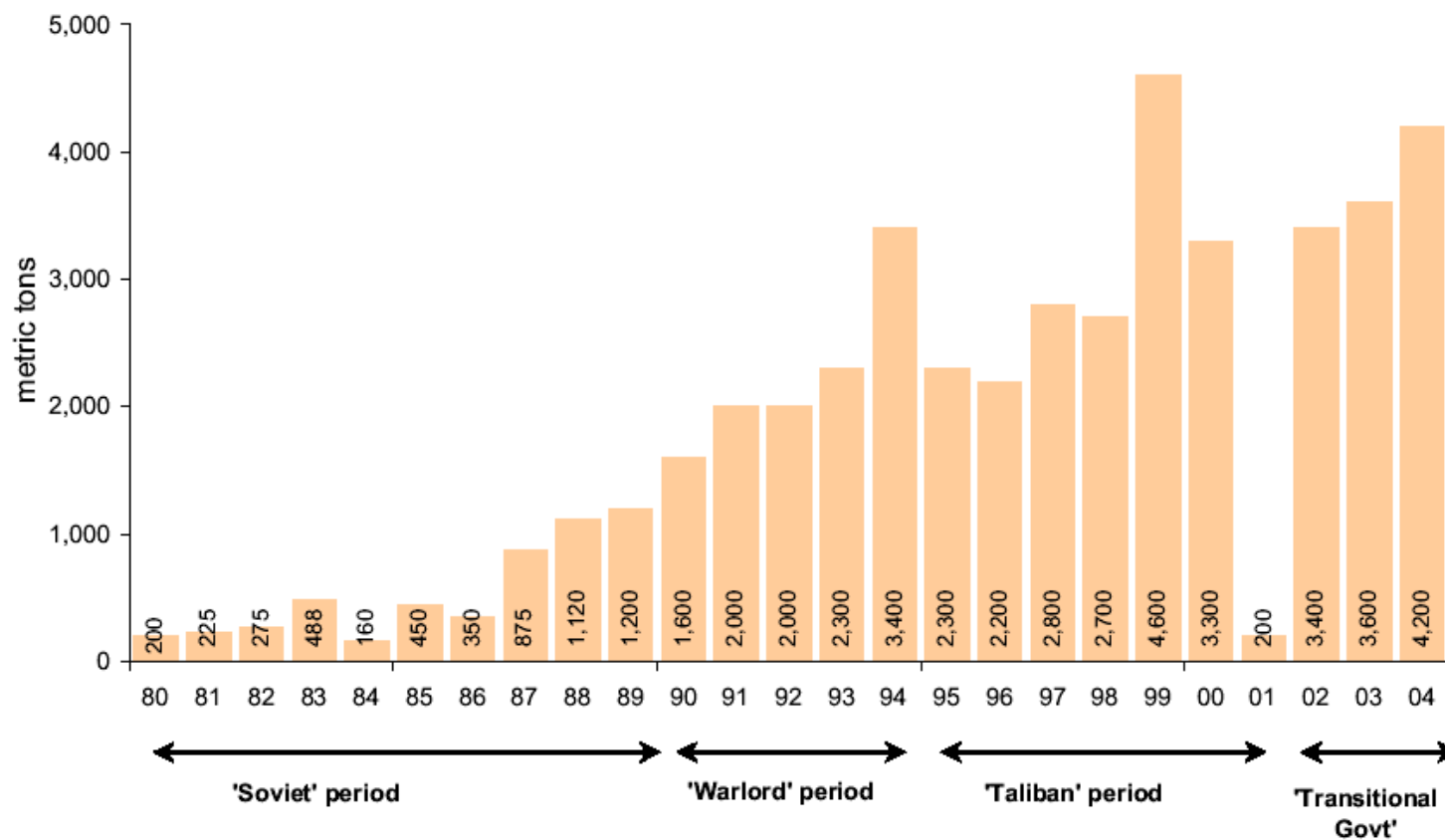
(land area in hectares)



**Source:** UNODC/CND, Afghanistan Opium Survey 2004. Figures for 1986-1993 based on U.S. government estimates. Figures for 1994-2004 based on UNODC survey data. One hectare is equal to 10,000 square meters. The Taliban banned opium poppy cultivation in areas under their control in 2001. Limited cultivation continued in areas under Northern Alliance control.

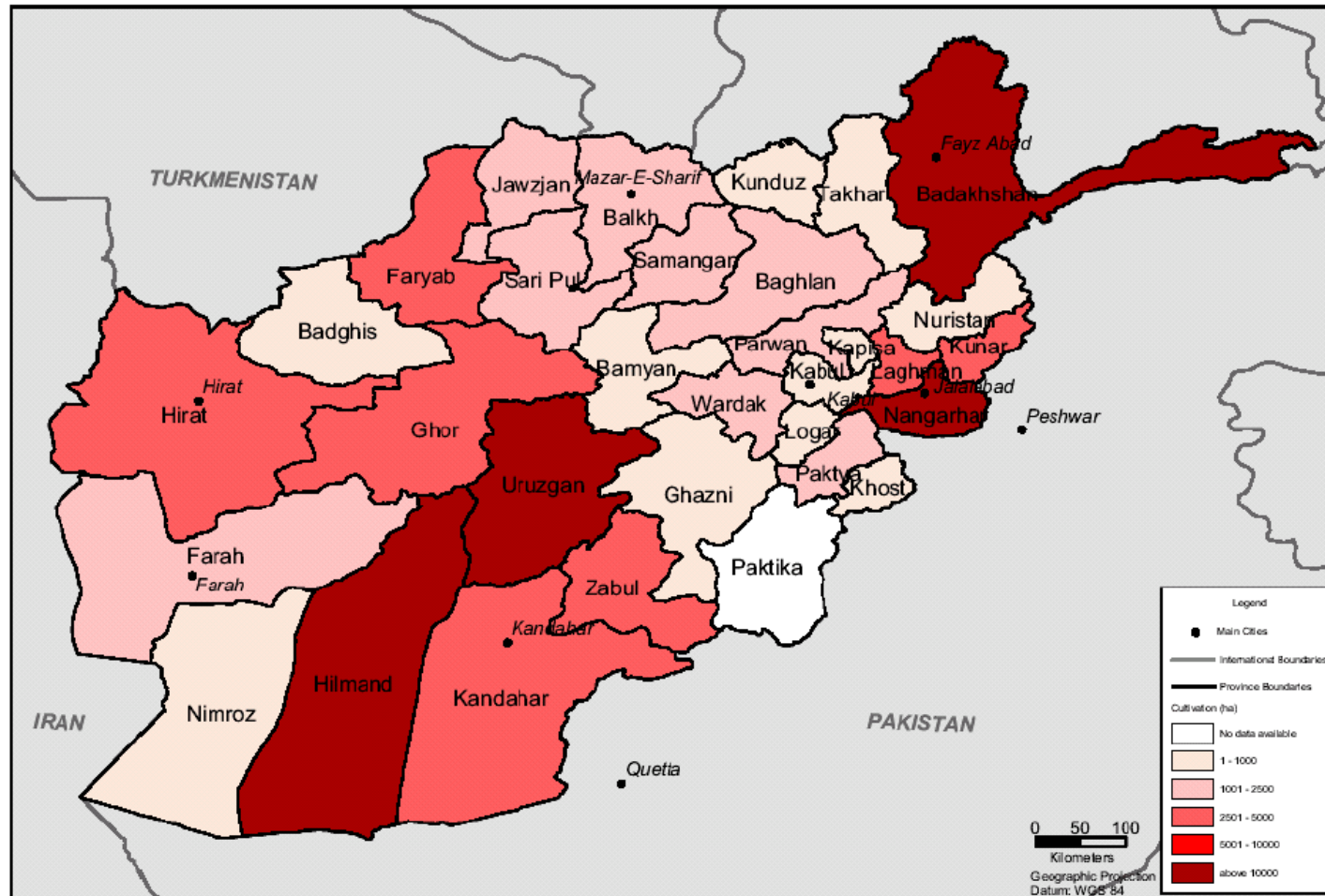


**Figure 2. Opium Production in Afghanistan, 1980-2004**  
(weight in metric tons)



**Source:** Graphic from UNODC/CND, Afghanistan Opium Survey 2004, p. 4. One metric ton is equal to 2200 pounds. The Taliban banned opium poppy cultivation in areas under their control in 2001. Opium trafficking continued. Limited cultivation continued in areas under Northern Alliance control.

**Figure 3. Opium Poppy Cultivation in Afghanistan by Province, 2004**



**Source:** Map from UNODC/CND, Afghanistan Opium Survey 2004, p. 13.

- Approximately 3 million people are directly involved in Afghanistan's opium economy. An estimated 356,000 Afghan families cultivated opium poppy in 2004, a number equal to roughly 2.3 million people or 10% of the Afghan population. An estimated 500,000 laborers and an unknown number of traffickers, warlords, and officials also participate in the trade.
- The estimated \$2.8 billion value of Afghanistan's 2004 illicit opium harvest is equivalent to approximately 60% of the country's licit GDP. In addition, many of Afghanistan's licit industries are financed or supported by profits from narcotics trafficking.<sup>5</sup>
- The steady increase in opium production volume that has occurred since late 2001 may reach a plateau following the recently completed 2003-2004 growing season if excess supply continues to reduce raw opium price levels (**Table 1**). However, expectations of intensified interdiction and eradication efforts may fuel a renewed increase in opium prices.

**Table 1. Recent Opium Prices in Afghanistan**  
(regionally weighted farmgate<sup>a</sup> price US\$/kilogram)

	1999	2000	2001	2002	2003	2004
Opium Price (\$/kg)	40	28	301	350	283	92

**Source:** United Nations Office on Drugs and Crime, Afghanistan Opium Survey 2004.

a. Farmgate price is the price paid to farmers by traffickers.

## Historical Development

During the more than two decades of occupation, foreign interference, and civil war that followed the 1979 Soviet invasion, opium poppy cultivation and drug trafficking served as central parts of Afghanistan's war economy, providing revenue to individuals and groups competing for power and an economic survival mechanism to a growing segment of the impoverished population. In December 2001, Afghan leaders participating in the Bonn conference that formed Afghanistan's interim post-Taliban government echoed pleas issued by their pro-Communist predecessors decades earlier.<sup>6</sup> They strongly urged that "the United Nations, the international community, and regional organizations cooperate with the Interim Authority to combat international terrorism, cultivation, and trafficking of illicit drugs and provide Afghan farmers with financial, material and technical resources for alternative crop

<sup>5</sup>See Barnett Rubin, "Road to Ruin: Afghanistan's Booming Opium Industry," Center for International Cooperation, October 7, 2004, and the World Bank Country Economic Report - Afghanistan: State Building, Sustaining Growth, and Reducing Poverty, September 9, 2004.

<sup>6</sup> In 1978, pro-Communist Afghan officials reportedly requested "a lot of assistance from abroad, especially economic help, to help replace farmers' incomes derived from opium poppy cultivation." Randal, Washington Post, Nov. 2, 1978.

production.”<sup>7</sup> In spite of renewed efforts on the part of Afghan and international authorities to combat opium poppy cultivation since the fall of the Taliban, Afghanistan has reemerged as the world’s leading producer of opium.

**Opium and Afghanistan’s War Economy.** Following the Soviet invasion of 1979 and during the civil war that ensued in the aftermath of the Soviet withdrawal, opium poppy cultivation expanded in parallel with the gradual collapse of state authority across Afghanistan. As the country’s formal economy succumbed to violence and disorder, opium became one of the few available commodities capable of both storing economic value and generating revenue for local administration and military supplies. Some anti-Soviet mujahidin commanders encouraged and taxed opium poppy cultivation and drug shipments, and, in some instances, participated in the narcotics trade directly as a means of both economic survival and military financing.<sup>8</sup> Elements of Pakistan’s Inter-Services Intelligence (ISI) agency and Afghan rebel commanders to which the ISI channeled U.S. funding and weaponry are also alleged to have participated in the Afghan narcotics trade during the Soviet occupation and its aftermath, including in the production and trafficking of refined heroin to U.S. and European markets.<sup>9</sup> After the withdrawal of Soviet troops and a drop in U.S. and Soviet funding, opium poppy cultivation, drug trafficking, and other criminal activities increasingly provided local leaders and military commanders with a means of supporting their operations and establishing political influence in the areas they controlled.

**Taliban Era.** The centralization of authority under the Taliban movement during the mid-to-late 1990s further fueled Afghan opium poppy cultivation and narcotic production, as Taliban officials coopted their military opponents with promises of permissive cultivation policies and mirrored the practices of their warlord predecessors by collecting tax revenue and profits on the growing output.<sup>10</sup> In 1999, Afghanistan produced a peak of over 4500 MT of raw opium, which led to growing international pressure from states whose populations were consuming the end products of a seemingly endless supply of Afghan drugs. In response, the

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<sup>7</sup> Agreement on Provisional Arrangements in Afghanistan Pending the Re-establishment of Permanent Government Institutions [The Bonn Agreement], December 5, 2001.

<sup>8</sup> See Arthur Bonner, “Afghan Rebel’s Victory Garden: Opium,” *New York Times*, June 18, 1986, and Mary Thornton, “Sales of Opium Reportedly Fund Afghan Rebels,” *Washington Post*, December 17, 1983.

<sup>9</sup> See James Rupert and Steve Coll, “U.S. Declines to Probe Afghan Drug Trade: Rebels, Pakistani Officers Implicated,” *Washington Post*, May 13, 1990; Jim Lobe, “Drugs: U.S. Looks Other Way In Afghanistan and Pakistan,” *Inter Press Service*, May 18, 1990; John F. Burns, “U.S. Cuts Off Arms to Afghan Faction,” *New York Times*, Nov. 19, 1989; Kathy Evans, “Money is the Drug” *The Guardian* (UK), Nov. 11, 1989; and Lawrence Lifschultz, “Bush, Drugs and Pakistan: Inside the Kingdom of Heroin,” *The Nation*, Nov. 14, 1988.

<sup>10</sup> The Taliban government collected an agricultural tax (approximately 10%, paid in kind), known as *ushr*, and a traditional Islamic tithe known as *zakat* (variable percentages). The Taliban also taxed opium traders and transport syndicates involved in the transportation of opiates. UNODC, “The Opium Economy in Afghanistan,” pp. 92, 127-8.

Taliban announced a ban on opium poppy cultivation in late 2000, but allowed the opiate trade to continue, fueling speculation that the decision was designed to contribute to their marginalized government's campaign for international legitimacy. Under the ban, opium poppy cultivation was reduced dramatically and overall opium output fell to 185 MT, mainly because of continued cultivation and production in areas under the control of Northern Alliance forces. Individual Northern Alliance commanders also taxed opium production and transportation within their zones of control, and continued producing opium and trafficking heroin following the Taliban prohibition.<sup>11</sup> Although U.S. and international officials initially applauded the Taliban policy shift, most experts now believe that the ban was designed to increase the market price for and potential revenue from stocks of Afghan opium maintained by the Taliban and its powerful trafficking allies within the country.<sup>12</sup>

**Post-Taliban Resurgence.** Following 9/11, Afghan farmers anticipated the fall of the Taliban government and resumed cultivating opium poppy as U.S.-led military operations began in October 2001. International efforts to rebuild Afghanistan's devastated society began with the organization of an interim administration at the Bonn Conference in December 2001, and Afghan leaders committed their new government to combat the resurgence of opium poppy cultivation and requested international counternarcotics assistance from the United States, the United Kingdom and others.<sup>13</sup> The United Kingdom was designated the lead nation for international counternarcotics assistance and policy in Afghanistan. On January 17, 2002, the Afghan Interim Administration issued a ban on opium poppy cultivation that was enforced with a limited eradication campaign in April 2002. In spite of these efforts, the 2001-2002 opium poppy crop produced over 3400 MT of opium, reestablishing Afghanistan as the world's leading producer of illicit opium. Since 2002, further government bans and stronger interdiction and eradication efforts have failed to reduce poppy cultivation and opium output.

## Actors in Afghanistan's Opium Economy

Farmers, laborers, landowners, and traffickers each play roles in Afghanistan's opium economy. Ongoing field research indicates that the motives and methods of each group vary considerably based on their geographic location, their respective economic circumstances, their relationships with ethnic groups and external parties,

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<sup>11</sup> UNODC, "The Opium Economy in Afghanistan," p. 92.

<sup>12</sup> In December 2001, then Assistant Secretary of State for International Narcotics and Law Enforcement Affairs Rand Beers stated that the Taliban had not banned opium cultivation "out of kindness, but because they wanted to regulate the market: They simply produced too much opium." Marc Kaufman, "Surge in Afghan Poppy Crop Is Forecast," *Washington Post*, December 25, 2001. See **Table 1** and UNODC, *The Opium Economy in Afghanistan*, p. 57.

<sup>13</sup> The Bonn Agreement, December 5, 2001.

and prevailing political conditions.<sup>14</sup> Studies suggest that profit is not the universal motivating factor fueling opium poppy cultivation in Afghanistan: opium trade field researcher David Mansfield argues that the “great diversity in the socio-economic groups involved in opium poppy in Afghanistan and the assets at their disposal” ensures that “there is great disparity in the revenues that they can accrue from its cultivation.”<sup>15</sup>

**Farmers.** Field studies have identified several structural barriers that limit the profitability of opium poppy cultivation for the average Afghan farmer. Many Afghan farming households cultivate opium poppy in order to improve their access to land, water, agricultural supplies, and credit — inputs that remain in short supply in many of the rural areas where opium poppy is grown. Experts have identified high levels of household debt as a powerful structural determinant of the continuation of opium poppy cultivation among some Afghan farmers. An opium-for-credit system, known as *salaam*, allows farmers to secure loans to buy necessary supplies and provisions if they agree in advance to sell future opium harvests at rates as low as half their expected market value. Crop failures that occurred as a result of a severe four-year nationwide drought (1998-2001) reportedly caused many farming households to accumulate large amounts of debt in the form of *salaam* loans based on future cultivation of opium poppy. In some cases, the introduction of strict poppy cultivation bans and crop eradication policies by the Taliban in 2001 and the Afghan Interim Authority in 2002 and 2003 increased the debt levels of many Afghan farmers by destroying opium crops that served as collateral for *salaam* arrangements.

Although the Afghan government issued a decree banning opium-based loans and credit in April 2002, the 2004 UNODC/CND opium survey reports that *salaam* lending has continued. Increased debt has led some farmers to mortgage land and to agree to cultivate opium poppy in the future through sharecropping arrangements. Other landless farmers have reportedly been forced to accept the crop selection choices of landowners who control their access to land and water and who favor opium poppy over other traditional crops. According to experts, this combination of drought-induced debt, predatory traditional lending systems, and the unintended side-effects from government cultivation bans and eradication programs continues to fuel opium poppy cultivation in Afghanistan.

**Land Owners.** Afghan land owners are better positioned to profit from opium poppy cultivation because of the labor intensive nature of the opium production

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<sup>14</sup> Analysis in this report relating to the motives and methods of Afghan farmers, land owners, and traffickers is based on the findings of the UNODC’s “Strategic Studies” series on Afghanistan’s opium economy and a series of commissioned development reports by David Mansfield, the Aga Khan Foundation, Frank Kenefick and Larry Morgan, Adam Pain, and others. UNODC Strategic Studies reports are available at [<http://www.unodc.org/pakistan/en/publications.html>]. Complete citations are provided in Appendix A.

<sup>15</sup> David Mansfield, “The Economic Superiority of Illicit Drug Production: Myth and Reality,” International Conference on Alternative Development in Drug Control and Cooperation, August 2001.

process. Land owners who control vital opium cultivation inputs like land, water, and fertilizers enjoy an economic advantage in the opium production cycle, which places heavy demands on Afghanistan's rural agricultural labor market during annual opium poppy planting, maintenance, and harvesting seasons. Wealthy land owners secure the services of skilled itinerant laborers to assist in the complex opium harvesting process, which improves their crop yields and profits. Itinerant laborers, in turn, contribute to the spread of opium cultivation expertise around Afghanistan.<sup>16</sup> Although opium prices have fallen since reaching a peak of \$350/kg in 2002, farmers have experienced greater profit loss than land owners.<sup>17</sup> Land owners also have benefitted from consolidation of property related to rising debt levels among Afghan farmers.

**Traffickers.** International market prices for heroin and intermediate opiates such as morphine ensure that individuals and groups engaged in the shipment and distribution of refined opium products earn substantially higher profits than those involved with cultivating and producing raw opium gum.<sup>18</sup> Although opium refining facilities that produce morphine base and heroin traditionally have been located in tribal areas along the Afghan border with Pakistan, the growth and spread of opium cultivation in recent years has led to a corresponding proliferation of opiate processing facilities, particularly into northeastern Badakhshan province.<sup>19</sup> The increasing proportion of heroin in the composition of drugs seized in countries neighboring Afghanistan reflects this proliferation and suggests that the profitability of opiate trafficking for Afghan groups has increased significantly in recent years. For example, the amount of heroin and morphine base seized by authorities in Central Asia has increased substantially relative to seizures of unrefined opium gum (See **Table 2**).

Although Afghan individuals and groups play a significant role in trafficking opiates within Afghanistan and into surrounding countries, relatively few Afghans have been identified as participants in the international narcotics trafficking operations that bring finished opiate products such as heroin to Middle Eastern, European, or North American consumer markets.<sup>20</sup> Ethnic and tribal relationships

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<sup>16</sup> See UNODC, "An Analysis of the Process of Expansion of Opium Poppy Cultivation to New Districts in Afghanistan," June 1998.

<sup>17</sup> "Although about ten times higher than during the 1990s, when it was around US\$ 30 per kg, the average price of fresh opium recorded in 2003 (US\$ 283 per kg) decreased by 19% from last year's price of US\$ 350. The decline of 2003 opium prices in Afghanistan, larger than the production increase, has resulted in a reduction in the related income to farmers." UNODC, "Afghanistan Opium Survey 2003," p. 8.

<sup>18</sup> See UNODC, "The Opium Economy in Afghanistan," pp. 129-40, 165-8.

<sup>19</sup> UNODC, "The Opium Economy in Afghanistan," pp. 139, 158.

<sup>20</sup> "The involvement of Afghan groups/individuals is basically limited to the opium production, the trade of opium within Afghanistan, the transformation of some of the opium into morphine and heroin, and to some extent, the trafficking of opiates (opium, morphine, (continued...)

facilitate the opium trade within Afghanistan, while relationships between ethnic Tajik, Uzbek, Pashtun, and Baluchi Afghans and their counterparts in Central Asia, Pakistan, and Iran provide a basis for the organization and networking needed to deliver Afghan opiates to regional markets and into the hands of international trafficking organizations.<sup>21</sup> U.S., Afghan, and international authorities continue to devote resources to developing intelligence on Afghan and regional groups and their relationships to syndicates who traffic heroin and other opiates into larger consumer markets. Multilateral intelligence gathering and interdiction operations have been initiated since 2001 and are described in further detail below.

**Table 2. Balance of Narcotics Production as Reflected in Seizures of Opiates in Central Asia**  
(percentages based on calculation in kilogram heroin equivalents)

Year	Heroin and Morphine	Opium
2000	75%	25%
2001	92%	8%
2002	94%	6%
2003	96%	4%

**Source:** UNODC figures featured in Barnett Rubin, “Road to Ruin: Afghanistan’s Booming Opium Industry,” Center on International Cooperation/Center for American Progress, October 2004.

## Narcotics and Security

Experts and officials have identified three areas of concern about the potential impact of the Afghan narcotics trade on the security of Afghanistan, the United States, and the international community. Each is first summarized, and then more fully developed below.

- **Prospects for State Failure:** Afghan, U.S., and international officials have identified several correlations between the narcotics trade and negative political and economic trends that undermine efforts to stabilize Afghanistan, establish the rule of law, and restore a functioning and licit economy. These trends include corruption and the existence of independent armed groups opposed to the Afghan government’s reform and counternarcotics agendas.

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<sup>20</sup>(...continued)

heroin) to neighboring countries (Iran, Pakistan, Tajikistan, Turkmenistan and Uzbekistan).” UNODC, *The Opium Economy in Afghanistan*, p. 64.

<sup>21</sup> See Tamara Makarenko, “Bumper Afghan Narcotics Crop Indicates Resilience of Networks,” *Jane’s Intelligence Review*, May 1, 2002.



Similar drug-related trends threaten countries neighboring Afghanistan. Election observers have warned that militia commanders, land owners, and traffickers may seek to disrupt or corrupt Afghanistan's parliamentary election, which is currently scheduled to be held in April 2005.

- **“Narco-Terrorism”:** Afghan and U.S. officials believe that Taliban insurgents and regional groups associated with Al Qaeda continue to profit from Afghanistan's burgeoning narcotics trade. Officials also suspect that drug profits provide Al Qaeda operatives with financial and logistical support. U.S. officials believe that financial and logistical relationships between narcotics traffickers, terrorists, and criminal groups pose threats to the security of Afghanistan and the wider international community.
- **Consumption and Public Health:** World health officials believe that Afghan narcotics pose social and public health risks for populations in Afghanistan, its neighbors, Russia, Western Europe, and, to a limited extent, the United States. Increased use of Afghan opiates has been closely associated with increased addiction and HIV infection levels in heroin consumption markets.

## Narcotics and Prospects for State Failure in Afghanistan

Afghan authorities and international observers have identified negative trends associated with the narcotics trade as barriers to the reestablishment of security, the rule of law, and a legitimate economy throughout Afghanistan — goals which U.S. and Afghan authorities have characterized as essential for the country's long term stability. In a September 2004 report on Afghanistan's economic development, the World Bank described these related trends as “a vicious circle” (**Figure 4**) that constitute “a grave danger to the country's entire state-building and reconstruction agenda.”<sup>22</sup>

**Anti-Government Elements.** Authorities fear that heavily armed trafficking groups, farmers, and regional militia may violently resist future eradication and interdiction efforts. Opium production remains a source of revenue and patronage for some armed groups and militia leaders seeking to maintain their power and influence over areas of the country at the expense of the extension of national government authority.<sup>23</sup> According to U.N. and Afghan officials, armed groups impose informal taxes and checkpoint fees of 10% to 40% on farmers, traffickers, and opiate processing laboratories within their areas of control, receiving cash or

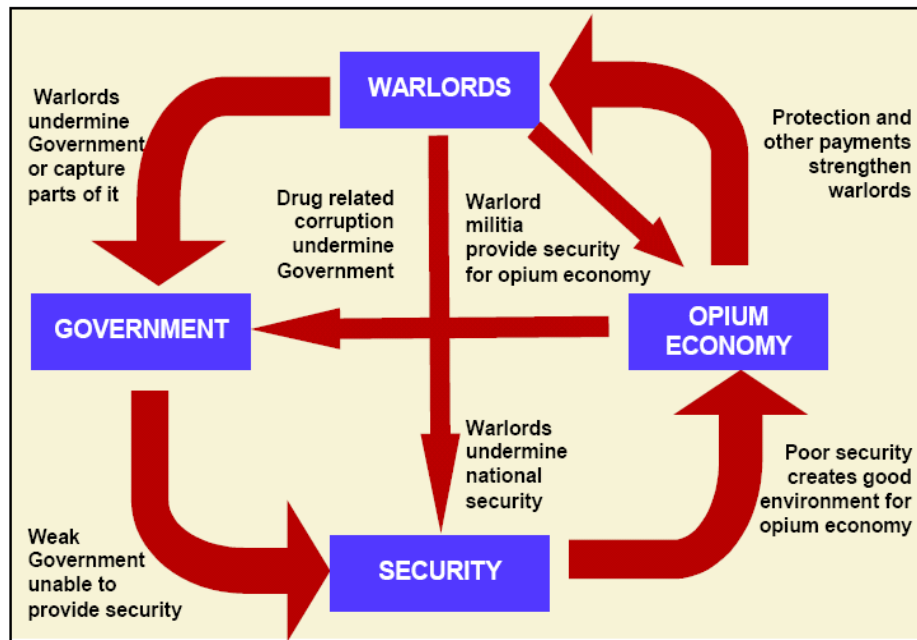
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<sup>22</sup> Testimony of Robert B. Charles, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, House International Relations Committee, Sep. 23, 2004.

<sup>23</sup> See UNODC, “The Opium Economy in Afghanistan,” p. 69, and Report of the Secretary-General on the Situation in Afghanistan and its Implications for International Peace and Security, Aug. 12, 2004.

payment in opium.<sup>24</sup> Although much of the outright conflict between regional and factional militias that motivated opium cultivation in the past has ended, long-established political and commercial networks linking armed groups, landowning elites, transportation guilds, and drug syndicates continue to constitute the foundation of Afghanistan's opium economy.

**Figure 4. Narcotics and Security in Afghanistan**



**Source:** World Bank, Afghanistan: State Building, Sustaining Growth, and Reducing Poverty, Country Economic Report No. 29551-AF September 9, 2004, p. 87.

Fears of future violence are based in large part on recent experience with counternarcotics enforcement. At the outset of the Afghan government's first eradication campaign in April 2002, Pashtun farmers barricaded the major highway linking Pakistan and Afghanistan, and armed clashes between opium farmers and Afghan eradication teams killed 16 people.<sup>25</sup> Eradication teams employed by provincial authorities routinely face small arms fire and mined poppy fields. The Afghan government's Dyncorp-trained Central Eradication Force reportedly was "rocketed by furious villagers" during a 2004 eradication mission in Wardak province outside of Kabul.<sup>26</sup>

<sup>24</sup> UNODC/CND, Afghanistan Opium Survey 2004, p. 66.

<sup>25</sup> See *Agence France Presse*, "Afghanistan Deploys 67 Million Dollars in War on Drugs," April 11, 2002, and Anwar Iqbal, "War on Dug Begins in Afghanistan," *United Press International*, April 10, 2002.

<sup>26</sup> *Reuters*, Pressure on Karzai as Afghan Drug Problem Worsens, October 5, 2004.

**Corruption and Challenges to Afghan Democracy.** The U.N. Secretary General's August 2004 report concluded that the opium trade is associated with "an increase in the level of corruption" across Afghanistan, "which affects the Government at the local and central level." According to the State Department, national government officials are generally "believed to be free of direct criminal connection to the drug trade," although among provincial and district level officials, "drug-related corruption is believed to be pervasive."<sup>27</sup> In December 2004, Afghan Counter Narcotics Directorate chief Mirwais Yasini indicated that "high government officials, police commanders, governors are involved" in the drug trade.<sup>28</sup> Government authorities and security forces in Afghanistan have accused each other of involvement in opium production and trafficking, and warlords have clashed over opium production and profits in various regions of the country, threatening the country's stability and the lives of civilians.<sup>29</sup> Although most of Afghanistan's prominent political figures have publicly condemned the country's opium economy, some political figures and their powerful supporters are alleged to have links with the trade or hold responsibility for areas of Afghanistan where opium poppy cultivation and drug trafficking take place. Commanders under the control of cabinet members and former presidential candidates are alleged to participate in the opium trade.<sup>30</sup> Some observers fear that as the Afghan government develops stronger counternarcotics policies and capabilities, groups that are involved with the opium trade will join others in seeking to corrupt or subvert Afghanistan's democratic process and parliamentary elections.

Although no major attempts were made to disrupt the Afghan national presidential election on October 9, 2004, a September 2004 report issued by Human Rights Watch concluded that "militarized political factions — militias and remnants of past Afghan military forces who came into power in the wake of the Taliban's defeat — continue to cement their hold on political power at the local level, using force, threats, and corruption to stifle more legitimate political activity and dominate the election process."<sup>31</sup> As Afghanistan and international authorities prepare for national parliamentary elections in April 2005, these negative trends may become more pronounced and disruptive if local and regional politicians involved in the opium trade become directly involved in the elections. Some experts have argued

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<sup>27</sup> Department of State, International Narcotics Control Strategy Report, March 2004.

<sup>28</sup> *Agence France Presse*, "Curbing Rampant Afghan Opium Trade Will Take Karzai Years," December 5, 2004.

<sup>29</sup> See *New York Times*, "7 Are Killed in a Clash of Afghan Militias," February 9, 2004, and FBIS IAP20040707000101 - Afghanistan Briefing 5-7 Jul 04.

<sup>30</sup> See Victoria Burnett, "Outlook Uncertain: Can Afghanistan Take the Next Step to Building a State?" *Financial Times*, August 19, 2004; Carol Harrington, "Ruthless Dostum a Rival for Karzai," *Toronto Star*, September 20, 2004; and Jurgen Dahlkamp, Susanne Koelbl, and Georg Mascolo, (tr. Margot Bettauer Dembo), "Bundeswehr: Poppies, Rocks, Shards of Trouble," *Der Spiegel* [Germany], November 10, 2003.

<sup>31</sup> Human Rights Watch, "The Rule of the Gun: Human Rights Abuses and Political Repression in the Run-up to Afghanistan's Presidential Election," September 2004.

that drug money may finance the campaigns of parliamentary candidates, and at least one expert has warned that “drug lords are candidates.”<sup>32</sup>

**Opium Profits and Afghanistan’s Economic Recovery.** Recent reports indicate that profits from Afghanistan’s opium trade may be overwhelming efforts to reestablish a functioning, licit economy. According to the UNODC/CND 2004 opium survey, the value of the 2004 opium harvest, an estimated \$2.8 billion, was equal to 60% of the country’s licit GDP from 2003. The World Bank reports that the opium economy has produced significant increases in rural wages and income and remains a significant source of credit for low income rural households.<sup>33</sup> Opium profits fuel consumption of domestic products and support imports of high value goods such as automobiles and appliances from abroad. Funds from the drug trade are also a major source of investment for infrastructure development projects, including major projects in “building construction, trade, and transport.”<sup>34</sup> Analysts argue that efforts to combat narcotics must address Afghanistan’s economic dependence on opium and replace drug profits with significant sources of licit capital and investment.

## Narcotics, Insurgency, and Terrorism

Afghan and U.S. officials believe that linkages between insurgents, terrorists, and narcotics traffickers threaten the security of Afghanistan and the international community. In addition to moving deadly opiates, the sophisticated transportation and money laundering networks utilized by traffickers may also facilitate the movement of wanted individuals and terrorist funds and support the trafficking of women and children, small arms, nuclear materials, or other components of weapons of mass destruction. Although some U.S. officials have made unequivocal statements about the existence of narco-terrorist linkages, most officials address the issue in general terms and indicate that intelligence agencies are continually developing more complete pictures of these relationships. **Table 3** describes known linkages between groups involved in terrorism and the drug trade according to the State Department.

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<sup>32</sup> Anne Barnard and Farah Stockman, “U.S. Weighs Role in Heroin War in Afghanistan,” *Boston Globe*, October 20, 2004.

<sup>33</sup> World Bank, *State Building...*, p. 87. See also Frank Kenefick and Larry Morgan, “Opium in Afghanistan: People and Poppies, the Good Evil,” USAID Contract, Feb. 5, 2004.

<sup>34</sup> World Bank, *State Building...*, p. 87.

**Table 3. Afghan Extremists' Links to the Drug Trade**

<b>Afghan Extremists</b>	<b>Are they receiving money from the trade?</b>	<b>Do traffickers provide them with logistical support?</b>	<b>Are they telling farmers to grow opium poppy?</b>
Hizb-i Islami/ Gulbuddin (HIG) <sup>a</sup>	<b>Almost Definitely:</b> HIG commanders involved in trafficking have led attacks on Coalition forces, and U.S. troops have raided heroin labs linked to the HIG.	<b>Most Likely:</b> HIG commanders involved in the drug trade may use those ties to facilitate weapons smuggling and money laundering.	<b>Probably:</b> Afghan Transitional Authority officials say the Taliban now encourages poppy cultivation, and other extremist groups interested in weakening the government in Kabul — like the HIG — may be following its lead.
Taliban	<b>Almost Definitely:</b> U.N. and Afghan Transitional Authority officials report the group earns money from trafficking and gets donations from drug lords.	<b>Most Likely:</b> Major drug barons who supported the Taliban when it was in power remain at large, and may be moving people, equipment, and money on the group's behalf.	
Islamic Movement of Uzbekistan (IMU) <sup>b</sup>	<b>Probably:</b> Uzbekistani officials have accused the group of involvement in the drug trade, and its remnants in Afghanistan may turn to trafficking to raise funds.	<b>Probably:</b> Members with drug ties may turn to traffickers for help crossing borders.	<b>Possibly:</b> No reports, and these groups — as foreigners in Afghanistan — may lack the moral and political authority needed to influence farmers' planting decisions.
Al Qaeda	<b>Possibly:</b> Only scattered reports, but fighters in Afghanistan may be engaged in low-level — but still lucrative — drug deals.	<b>Probably:</b> Traffickers stopped last December [2003] in the Arabian Sea were linked to Al Qaeda. Al Qaeda may hire professional criminals in South Asia to transfer its weapons, explosives, money, and people through the region.	

**Source:** Robert Charles, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, Testimony Before the House Committee on Government Reform Subcommittee on Criminal Justice, Drug Policy and Human Resources, April 1, 2004.

a. Hizb-i Islami's leader — former anti-Soviet mujahidin commander Gulbuddin Hekmatyar — is alleged to have been involved in the Afghan narcotics trade since the 1980s.

b. The State Department's 2003 Patterns of Global Terrorism report indicates that the IMU is "closely affiliated" with Al Qaeda. See also Tamara Makarenko, "Terrorism and Religion Mask Drug Trafficking in Central Asia," *Jane's Intelligence Review*, November 1, 2000.

**Taliban and Al Qaeda Financiers.** Afghan individuals serve as middlemen between the groups described in **Table 3** and narcotics producers and traffickers. Press reports and U.S. officials have identified two prominent figures involved in the drug trade that reportedly finance Taliban insurgents and Al Qaeda operatives:

- **Haji Bashir Noorzai** - a former confidant of ousted Taliban leader Mullah Omar who served as a military commander during the Taliban era and was reportedly a “major financial supporter of the Taliban.”<sup>35</sup> In a February 2004 statement to the House Committee on International Relations, Congressman Mark Kirk alleged that Haji Bashir Noorzai’s Kandahar-based trafficking organization reportedly supplies Al Qaeda operatives in Pakistan with “2000 kilograms [4,400 lbs.] of heroin every eight weeks,” which Kirk estimated would provide \$28 million of revenue per year.<sup>36</sup> In June 2004, the Bush Administration added Haji Bashir Noorzai to the U.S. government’s drug kingpin list.
- **Haji Juma Khan** - identified as an alleged drug lord and Al Qaeda financier. In August 2004, U.S. Assistant Secretary of State for International Narcotics and Law Enforcement (INL) Robert Charles told Time Magazine that Haji Juma Khan is “obviously very tightly tied to the Taliban.” Afghan Counter Narcotics Directorate chief Mirwais Yasini added that “there are central linkages among Khan, Mullah Omar and [Osama] Bin Laden.”<sup>37</sup>

U.S. forces reportedly detained and released both Haji Juma Khan and Haji Bashir Noorzai in late 2001 and early 2002. Press accounts state that Noorzai voluntarily provided intelligence about his Taliban and Al Qaeda colleagues during questioning at Kandahar’s airport prior to his release.<sup>38</sup> DEA officials reportedly were unable to question him.<sup>39</sup> Noorzai’s forces later surrendered a large number of weapons to coalition and Afghan authorities and provided security for Qandahar governor Gul Agha Sherzai.<sup>40</sup> Both Khan and Noorzai currently remain at large, and

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<sup>35</sup> Liz Sly, “Opium Cash Fuels Terror, Experts Say,” *Chicago Tribune*, Feb. 9, 2004; John Fullerton, “Live and Let Live for Afghan Warlords, Drug Barons,” *Reuters*, Feb. 5, 2002.

<sup>36</sup> Kirk, Testimony Before the House International Relations Committee, February 12, 2004.

<sup>37</sup> Tim McGirk, “Terrorism’s Harvest,” *Time Magazine* [Asia], Aug. 2, 2004.

<sup>38</sup> Haji Bashir reportedly described his time with U.S. forces in the following terms: “I spent my days and nights comfortably... There was special room for me. I was like a guest, not a prisoner.” *CBS Evening News*, “Newly Arrived US Army Soldiers Find it Difficult to Adjust to Life in Afghanistan’s War Zone,” February 7, 2002.

<sup>39</sup> Steve Inskeep, “Afghanistan’s Opium Trade,” *National Public Radio: Morning Edition*, April 26, 2002.

<sup>40</sup> See Mark Corcoran, “America’s Blind Eye,” Australian Broadcasting Corporation — Foreign Correspondent, April 10, 2002.

Department of Defense officials indicate that the U.S. military is not currently pursuing them or other major figures in the Afghan opium trade.<sup>41</sup>

## Consumption Markets

Afghan opium presents significant public health and internal security challenges to downstream markets where refined heroin and other opiates are consumed, including the United States. Russia and Europe have been the main consumption markets for Afghan opiates since the early 1990s, and estimates place Afghan opium as the source of over 90% of the heroin that enters the United Kingdom and Western Europe annually. Russian and European leaders have expressed concern over the growth of Afghanistan's opium trade as both a national security threat as well as a threat to public health and safety.

**Trafficking to the United States.** Heroin originating in southwest Asia (Afghanistan, Pakistan, Iran, and Turkey) "was the predominant form of heroin available in the United States" from 1980 to 1987,<sup>42</sup> and samples analyzed by the DEA's Heroin Signature Program indicated that southwest Asia-derived heroin constituted up to 10% of the heroin available in the United States as recently as 2002.<sup>43</sup> Since the 1980s, several figures involved in the Afghan drug trade have been convicted of trafficking illegal drugs, including heroin, into the United States.<sup>44</sup> Afghan and Pakistani nationals have been convicted on heroin trafficking and money laundering charges in U.S. courts as recently as October 2004. Some recent cases involve links to the Taliban and Al Qaeda:

- In the mid-1990s, several Pakistani nationals were extradited to the United States and convicted of heroin and hashish trafficking, including Haji Ayub Afridi, a former member of Pakistan's Parliament and alleged drug baron.<sup>45</sup>

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<sup>41</sup> Defense Department response to CRS inquiry, November 12, 2004.

<sup>42</sup> Drug Enforcement Agency, "The Availability of Southwest Asian Heroin in the United States," May 1996.

<sup>43</sup> Drug Enforcement Agency, "Heroin Signature Program: 2002," March 2004.

<sup>44</sup> In 1985, the DEA developed evidence against a wealthy Afghan national alleged to have been "involved in supplying Afghan rebels with weapons in exchange for heroin and hashish, portions of which were eventually distributed in Western Europe and the United States." See Select Committee on Narcotics Abuse and Control - Annual Report 1985, Dec. 19, 1986, p. 58; See U.S. v. Roeffen, et al. [U.S. District Court of New Jersey (Trenton), 86-00013-01] and U.S. v. Wali [860 F.2d 588 (3d Cir.1988)].

<sup>45</sup> Marcus W. Brauchli, "Pakistan's Wild Frontier Breeds Trouble — Drugs, Terrorism Could Overflow Into Other Regions," *Wall Street Journal*, June 3, 1993; Kathy Gannon, "Pakistan Extradites Suspected Drug Dealers to U.S.," *Associated Press*, Oct. 16, 1993; Jeanne King, "U.S. Denies Bail to Alleged Pakistani Drug Baron," *Reuters*, Dec. 21, 1995; and Ron Synovitz, "U.S. Indicts 11 In Connection With Drug Ring," *RFE/RL*, Sep. 17, 2003.

- Since 2001, DEA and FBI investigators have prosecuted several Afghan and Pakistani nationals in connection with heroin trafficking and money laundering charges, including members of Pakistan's Afridi clan.<sup>46</sup> Officials have indicated that some of the individuals involved in these recent cases may have relationships with Taliban insurgents and members of Al Qaeda.<sup>47</sup>
- Al Qaeda operatives and sympathizers have been captured trafficking large quantities of heroin and hashish and attempting to trade drugs for Stinger missiles.<sup>48</sup>

**Russia.** Afghan opiates have been a concern for Russian leaders since the 1980s, when Afghan drug dealers targeted Soviet troops and many Russian soldiers returned from service in Afghanistan addicted to heroin.<sup>49</sup> More recently, the Russian government has expressed deep concern about "narco-terrorist" linkages that are alleged to exist between Chechen rebel groups, their Islamist extremist allies, and Caucasian criminal groups that traffic and distribute heroin in Russia. Since 1993, HIV infection and heroin addiction rates have skyrocketed in Russia, and these trends have been linked to the influx and growing use of Afghan opiates. These concerns make the Afghan narcotics trade an issue of priority interest to Russian decision makers, and motivate attention and initiative on the part of Russian security services in the region.

**Western Europe.** In Europe, press outlets and public officials in several countries have devoted significant attention to Afghanistan's opium trade since the 1990s. In the United Kingdom, where British officials estimate that 90-95% of the heroin that enters the country annually is derived from Afghan opium, the public places a high priority on combating the Afghan opiate trade. In October 2001, British Prime Minister Tony Blair cited the Taliban regime's tolerance for opium cultivation and heroin production as one justification for the United Kingdom's involvement in the U.S.-led military campaign in Afghanistan. Some British citizens and officials have criticized the Blair Administration's counternarcotics efforts in Afghanistan and argued that more should be done to stem the flow of Afghan opiates in the future.<sup>50</sup>

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<sup>46</sup> U.S. v. Afridi, et. al., [U.S. District Court of Maryland, (Baltimore), AW-03-0211].

<sup>47</sup> Testimony of DEA Administrator Karen Tandy before the House International Relations Committee, February 12, 2004.

<sup>48</sup> James W. Crawley, "U.S. Warships Pinching Persian Gulf Drug Trade," *San Diego Union-Tribune*, February 9, 2004, and Tony Perry, "2 Convicted of Seeking Missiles for Al Qaeda Ally," *Los Angeles Times*, March 4, 2004.

<sup>49</sup> According to Lt. Gen. Walter L. Sharp, Director of Strategic Plans (J-5), the U.S. military contingent in Afghanistan "does not have the problem that the Russians had." Defense Department officials report that steps are taken to educate U.S. troops serving in Afghanistan about the dangers of narcotics use and to monitor and prevent drug use. Sharp, Testimony Before the House International Relations Committee, Sep. 23, 2004.

<sup>50</sup> House of Commons (UK) - Foreign Affairs Committee, Seventh Report, July 21, 2004.



The United Kingdom currently serves as the lead nation for international counternarcotics efforts in Afghanistan.

## Regional Security Implications

Afghanistan's opiate trade presents a range of policy challenges for Afghanistan's neighbors, particularly for the Central Asian republics of the former Soviet Union. As a security issue, regional governments face the challenge of securing their borders and populations against the inflow of Afghan narcotics and infiltration by armed trafficking and terrorist groups. Regional terrorist organizations and international criminal syndicates that move Afghan opiates throughout the region have been linked to insecurity, corruption, and violence in several countries.<sup>51</sup> As a public health issue, Afghan narcotics have contributed to a dramatic upsurge in opiate use and addiction rates in countries neighboring Afghanistan, a factor that also has been linked to dramatic increases in HIV infection rates in many of Afghanistan's neighbors. According to the UNODC, by 2001, "Afghan opiates represented: almost 100% of the illicit opiates consumed in... Iran, Pakistan, Turkey, Kazakhstan, Turkmenistan, Kyrgyzstan, Tajikistan, Uzbekistan, Azerbaijan, and the Russian Federation."<sup>52</sup> With the exception of Turkey, intravenous use of Afghan opiates is the dominant driver of growing HIV infection rates in each of these countries.<sup>53</sup> These destabilizing factors could provide a powerful pretext for increased attention to and possible intervention in Afghan affairs on the part of regional powers such as Iran and Pakistan.

**Central Asia.**<sup>54</sup> The emergence of the so-called "Northern Route" of opiate trafficking through Central Asia and the Caucasus in the mid-1990s transformed the region's previously small and relatively self-contained opiate market into the center of global opium and heroin trafficking. Ineffective border control, civil war, and corruption facilitated this trend, and opiate trafficking and use in Kazakhstan, Uzbekistan, Turkmenistan, and Kyrgyzstan now pose significant security and public

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<sup>51</sup> For more information see Tamara Makarenko, "Crime, Terror and the Central Asian Drug Trade," *Harvard Asia Quarterly*, vol. 6, no. 3 (Summer 2002), and Integrated Regional Information Networks (IRIN) Report, "Central Asia: Regional Impact of the Afghan Heroin Trade," U.N. Office for the Coordination of Humanitarian Affairs (OCHA), August 2004. Available at [<http://www.irinnews.org/webspecials/opium/regOvr.asp>]

<sup>52</sup> UNODC, "The Opium Economy in Afghanistan," p. 33, 35.

<sup>53</sup> For more information, see the World Health Organization's Epidemiological Fact Sheets on HIV/AIDS at [<http://www.who.int/GlobalAtlas/PDFFactory/HIV/index.asp>], and Julie Stachowiak and Chris Beyrer, "HIV Follows Heroin Trafficking Routes," Open Society Institute - Central Eurasia Project, Available at [[http://www.eurasianet.org/health.security/presentations/hiv\\_trafficking.shtml](http://www.eurasianet.org/health.security/presentations/hiv_trafficking.shtml)]

<sup>54</sup> For more on Central Asian security and public health, including information on narcotics trafficking, organized crime, and terrorism see CRS Report RL30294 — *Central Asia's Security: Issues and Implications for U.S. Interests*, and CRS Report RL30970 — *Health in Russia and Other Soviet Successor States: Context and Issues for Congress*, by Jim Nichol.

health threats to those countries. U.S. officials have implicated the Islamic Movement of Uzbekistan in the regional drug trade, as well as well-organized and heavily armed criminal syndicates that threaten U.S. interests.

Tajikistan has emerged as the primary transit point for Afghan opiates entering Central Asia and being trafficked beyond. From 1998 to 2003, Tajikistan's Drug Control Agency seized 30 MT of drugs and narcotics, including 16 MT of heroin. U.N. authorities estimate that the European street value of the 5,600 kg of heroin seized by Tajik authorities in 2003 was over \$3 billion.<sup>55</sup> The 201<sup>st</sup> Russian Army Division has stationed troops along the Afghan-Tajik border to disrupt the activities of criminals, narcotics traffickers, and terrorist groups since 1993. Tajik and Russian authorities recently finalized an agreement that will gradually replace these Russian military forces with Tajik border security guards by the end of 2006.<sup>56</sup> Some observers have expressed concern that the relatively poor training and inexperience of the Tajik forces may result in an increase in the flow of opium and heroin into Central Asia and onward to Russia and Europe. Others fear that Tajik security forces may prove more vulnerable to corruption than their Russian counterparts.<sup>57</sup>

**Pakistan.** According to the 2003 State Department International Narcotics Control Strategy Report (INCSR), "Pakistan remains a substantial trafficking country for heroin, morphine, and hashish from Afghanistan," and Pakistani narcotics traffickers "play an important role in financing and organizing opium production in Afghanistan." Trafficking groups routinely use western areas of Afghanistan and Pakistan as staging areas for the movement of opiates into and through Iran. Efforts to control the narcotics trade in Pakistan have historically been complicated by the government's limited ability to assert authority over autonomous tribal zones, although recent cooperative border security efforts with the United States have increased the presence of government authorities in these regions. The Pakistani government's efforts to reduce opium poppy cultivation and heroin production since 2001 have been moderately successful; however, drug usage remains relatively high among some elements of Pakistani society. In March 2003, former U.S. Ambassador to Pakistan Wendy Chamberlain told a House International Relations Committee panel that the role of Pakistan's Inter-Services Intelligence (ISI) agency in the heroin trade from 1997-2003 had been "substantial."<sup>58</sup> The 2003 State Department INCSR

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<sup>55</sup> IRIN Report, "Tajikistan: Stemming the Heroin Tide," OCHA, September 13, 2004. Available at [<http://www.irinnews.org/webspecials/opium/regTaj.asp>]

<sup>56</sup> Agence France Presse, "Tajiks to Take Over Patrolling Half of Tajik-Afghan Border From Russians," October 1, 2004.

<sup>57</sup> In August 2004, the head of Tajikistan's Drug Control Agency was arrested when authorities uncovered a cache of over 3,000 weapons — including a Stinger anti-aircraft missile and an allegedly illegal helicopter — under his control. See Rukhshona Najmiddinova, "Tajikistan Arrests Anti-Drug Agency Head," *Associated Press*, Aug. 6, 2004.

<sup>58</sup> Ambassador Wendy Chamberlain, "Transcript: Hearing of the Subcommittee on Asia and (continued...)"

states that U.S. officials have “no evidence” that any senior government officials are currently involved with the narcotics trade or drug money laundering, although the report also states that narcotics remain a source of “persistent corruption” among lower level officials.

**Iran.** Narcotics trafficking and use continue to present serious security and public health risks to Iran, which the State Department has called “a major transit route for opiates smuggled from Afghanistan.” According to the 2003 State Department INCSR, over 3200 Iranian security personnel have been killed in clashes with heavily-armed narcotics trafficking groups over the last twenty years, and 67% of HIV infections in Iran are related to intravenous drug use by the country’s more than 1 million estimated addicts. Iran’s interdiction efforts along its eastern borders with Afghanistan and Pakistan are widely credited with forcing opiate traffickers to establish and maintain the “Northern Route” through Central Asia. According to the State Department, Iranian officials seized 208 MT of opiates in 2002, and 165 MT of opiates in the first nine months of 2003. It is unclear what the effects of Ismael Khan’s replacement as governor of Afghanistan’s western Herat Province will be on the flow of narcotics westward toward Iran.<sup>59</sup>

The 2003 INCSR cites “overwhelming evidence of Iran’s strong commitment to keep drugs moving out of Afghanistan from reaching its citizens,” a commitment which the report also says “certainly also prevents drugs from reaching markets in the West.” Although the absence of bilateral diplomatic relations prevents the United States from directly supporting counternarcotics initiatives in Iran, the INCSR indicates that United States and Iran “have worked together productively” in the UN’s multilateral “Six Plus Two” group. Shared interest in interdiction has led the United Kingdom to support the Iranian government’s counternarcotics efforts since 1999 by providing millions of dollars in grants for security equipment purchases, including bullet-proof vests for Iran’s border patrol guards.<sup>60</sup>

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<sup>58</sup>(...continued)

the Pacific of the House International Relations Committee,” Federal News Service, March 20, 2003. See also, Ahmed Rashid, *Taliban*, Yale University Press, 2000, pp. 120-2, and Barnett Rubin, *The Fragmentation of Afghanistan*, Yale University Press, 2002, pp. 197-8. See also Rubin, Testimony Before the House Foreign Affairs Subcommittee on Europe and the Middle East and Asian and Pacific Affairs, March 7, 1990.

<sup>59</sup> Ismael Khan was removed as governor of Herat province on September 11, 2004. In questioning before the House International Relations Committee on September 23, 2004, Assistant Secretary of State for INLEA Robert Charles indicated that Ismael Khan had been involved in the drug trade, although he declined to characterize Khan’s involvement.

<sup>60</sup> Jason Barnes, “The Desert Village that Feeds UK’s Heroin Habit,” *The Observer* (UK), December 12, 1999.

## The International Policy Response

The Bonn Agreement that established the Afghan Interim Authority committed Afghanistan's new government to cooperation with the international community "in the fight against terrorism, drugs and organized crime."<sup>61</sup> After taking office in early 2002, Hamid Karzai's transitional administration took a series of steps to combat the growth of the Afghan narcotics trade, including issuing a formal ban on opium cultivation, outlining a national counternarcotics strategy, and establishing institutions and forces tasked with eradicating poppy crops and interdicting drug traffic. Karzai's government also has placed a high priority on creating alternative livelihoods and sources of income for opium growing farmers. Many countries have contributed funding, equipment, forces, and training to various counternarcotics programs in Afghanistan, including crop eradication and judicial reform. The United States and others have worked closely with Afghanistan's neighbors in an effort to contain the flow of narcotics and strengthen interdiction efforts.

The United Kingdom serves as the lead coalition nation for international counternarcotics policy and assistance in Afghanistan. The State Department's INL Bureau administers U.S. counternarcotics and law enforcement assistance programs in Afghanistan and coordinates with the U.S. Agency for International Development (USAID), the Drug Enforcement Administration (DEA), the Government of Afghanistan, the United Kingdom, Italy, Germany, and the United Nations Office on Drugs and Crime (UNODC). U.S. forces in Afghanistan have engaged in some counternarcotics activities based on limited rules of engagement. British military units carry out interdiction missions in cooperation with Afghan authorities that target drug production laboratories and trafficking infrastructure. Some Bush Administration figures have advocated an expanded role for U.S. military forces in counternarcotics missions in Afghanistan, but military officials have reportedly resisted expansion that would include direct engagement in interdiction or eradication missions.<sup>62</sup> The United States also provides counternarcotics assistance to governments in Central and South Asia.

In November 2004, the State Department announced a new inter-agency initiative that is designed reinvigorate U.S. efforts to support the implementation of Afghanistan's national counternarcotics strategy.<sup>63</sup> The initiative, which has been referred to as "Plan Afghanistan," calls for a substantial increase in spending on counternarcotics programs. Most observers and officials expect that a long-term, sustained international effort will be necessary to reduce the threat posed by the

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<sup>61</sup> The Bonn Agreement, December 5, 2001.

<sup>62</sup> Rowan Scarborough, "U.S. Reassesses Role in Afg. Drug War," *Washington Times*, Aug. 15, 2004.

<sup>63</sup> See Robert B. Charles, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, On-The-Record Briefing, Washington, DC, November 17, 2004. Available at [<http://www.state.gov/g/inl/rls/prsrl/spbr/38352.htm>]

opium trade to the security and stability of Afghanistan and the international community.

## Initial Efforts

**Bans and Eradication.** Among the first acts of the newly established Afghan Interim Authority created by the Bonn Agreement was the issuance of a decree that banned the opium poppy cultivation, heroin production, opiate trafficking, and drug use on January 17, 2002. The Bonn accords also identified the United Kingdom as the lead nation for coalition counternarcotics efforts. Under British leadership, basic eradication, interdiction, and alternative livelihood development measures began in the spring of 2002. On April 3, 2002, Afghan authorities released a second decree that described the scope and goals of an eradication program designed to destroy a portion of the opium poppy crop that had been planted during late 2001. The 2002 eradication program succeeded in eradicating over 15,000 hectares of opium poppy.

International experts widely criticized the program's uneven enforcement and limited cash payments to farmers for destroyed crops as inadequate and counterproductive. Field observations demonstrated that the compensation plan encouraged some Afghans to resume or increase future opium poppy cultivation in the hope of receiving cash payments for its eventual eradication.<sup>64</sup> In order to prevent further cultivation during the autumn 2002 planting season, the government issued a third decree in early September 2002 that spelled out more specific terms for the enforcement of the previous ban on cultivation, production, trafficking, and drug abuse. This effort was backed by the creation of a Counternarcotics Directorate under the supervision of the Afghan National Security Council in October 2002.

**Operation Containment.** Reflecting on the absence of effective counternarcotics institutions and authorities in post-Taliban Afghanistan, international authorities led by the United States Drug Enforcement Administration (DEA) established a series of cooperative interdiction initiatives in countries neighboring Afghanistan beginning in early 2002. The primary U.S.-led effort, known as "Operation Containment," was designed to "implement a joint strategy to deprive drug trafficking organizations of their market access and international terrorist groups of financial support from drugs, precursor chemicals, weapons, ammunition and currency."<sup>65</sup> Under the auspices of Operation Containment, the DEA has assigned Special Agents and intelligence personnel to a number of

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<sup>64</sup> The "perverse incentive" phenomenon has been addressed by British, U.S., and Afghan officials. At an international counternarcotics conference in Kabul in February 2004, British representative, Rosalind Marsden said, "We must avoid creating perverse incentives. Linking aid directly to poppy production and elimination will undermine efforts to address the root causes of opium poppy cultivation and encourage more." Speech of Ms. Rosalind Marsden on behalf of Mr. Bill Rammell, UNODC International Counter Narcotics Conference on Afghanistan, February 8-9, 2004.

<sup>65</sup> DEA Administrator Karen P. Tandy, House Committee on Government Reform Subcommittee on Criminal Justice, Drug Policy and Human Resources, Feb. 26, 2004.

countries neighboring Afghanistan and situated along trafficking routes, including Kyrgyzstan, Uzbekistan, Romania, and Belgium. DEA agents have also helped establish Sensitive Investigative Units in Uzbekistan and Pakistan to screen, train, and equip local law enforcement personnel and improve their ability to interdict Afghan opiates and shut down regional trafficking syndicates. A similar multinational DEA-led effort named Operation Topaz has focused on interdicting acetic anhydride — a primary heroin production precursor chemical — to Afghanistan. Operation Containment has continued since early 2002 and currently involves “nineteen countries from Central Asia, the Caucasus, Europe and Russia.”<sup>66</sup> Operation Containment operations seized 14,932 kg of heroin in the first nine months of 2004.

**Building Afghan Institutions and Forces.** In October 2002, then-Interim President Hamid Karzai announced that the Afghan National Security Council would take lead responsibility for Afghanistan’s counternarcotics policies and would oversee a new Counternarcotics Directorate (CND). The CND subsequently established functional units to analyze data and to coordinate action in the five pillars of Afghanistan’s counternarcotics policy: judicial reform, law enforcement, alternative livelihood development, demand reduction, and public awareness. Since its establishment in late 2002, the CND has worked with Afghan ministries, local leaders, and international authorities to develop counternarcotics policy and coordinate the creation and training of effective counternarcotics institutions and personnel. Under the supervision of the Interior Ministry, a number of law enforcement entities have been established to assist in counternarcotics operations in Afghanistan. Afghanistan’s Border Police, National Police, and Highway Police have received training, equipment, and communications support from British, German, and U.S. authorities. Special narcotics interdiction teams have also been established by the Interior Ministry, the United Kingdom, and the DEA.

**Afghanistan’s National Counternarcotics Strategy.** In May 2003, Afghan authorities released a national counternarcotics strategy that had been developed in consultation with experts and officials from the United States, the United Kingdom, and the UNODC.<sup>67</sup> The strategy declared the Afghan government’s commitment to reducing opium poppy cultivation by 70% by 2008 and to completely eliminating poppy cultivation and drug trafficking by 2013. The strategy identified five key tactical goals to support its broader commitments: “...the provision of alternative livelihoods for Afghan poppy farmers, the extension of drug law enforcement throughout Afghanistan, the implementation of drug control legislation, the establishment of effective institutions, and the introduction of prevention and treatment programs for addicts.”

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<sup>66</sup> Ibid.

<sup>67</sup> National Drug Control Strategy, Transitional Islamic State of Afghanistan, May 18, 2003. Available at [<http://www.cnd.gov.af/ndcs.html>]

**Negative Trends.** In spite of these efforts, the land area used for opium poppy cultivation in Afghanistan and corresponding opiate output have increased each year since 2001. Although public awareness of government opium poppy cultivation bans and laws outlawing participation in the narcotics trade is widespread, enforcement has been hindered by the Afghan government's inability to undertake nationwide, effective eradication campaigns and its lack of adequate legal infrastructure to support drug-related prosecutions. Development agencies have made positive, but limited efforts to address structural economic issues associated with drug production like household debt and the destruction of local agricultural markets. Until recently, these efforts were not centrally coordinated or linked directly to counternarcotics initiatives. More robust interdiction efforts within Afghanistan have begun in the last six months, and according to CND director Mirwais Yasini, as of September 1, 2004, Afghanistan's narcotics interdiction forces had destroyed 54 heroin laboratories and 144 tons of opium, heroin, hashish, and morphine.<sup>68</sup> International authorities have focused primarily on interdiction efforts outside of Afghanistan, and the U.S.-led Operation Containment and Operation Topaz have led to significant seizures of narcotics, heroin precursors, and weapons.

### **New Initiatives: "Plan Afghanistan"**

Continued growth in opium poppy cultivation and narcotics trafficking since 2003 has led U.S. officials, in consultation with their Afghan and coalition colleagues, to develop a more comprehensive, complementary plan to support the implementation of the Afghan national counternarcotics strategy. The new U.S. policy initiative, recently referred to by INL Assistant Secretary Robert Charles as "Plan Afghanistan," consists of five key elements, or pillars, and calls for increased interagency and international cooperation.<sup>69</sup> According to Charles, the five pillars of "Plan Afghanistan" will focus on public awareness, judicial reform, alternative livelihood development, interdiction, and eradication. New initiatives in these areas will build upon existing policies being implemented by U.S., Afghan, and coalition authorities. Afghan authorities reportedly have had direct input into the design, scope, and timing of specific implementation plans. Afghan press reports suggest that President Hamid Karzai may create a new ministry to combine and direct counternarcotics activities currently under the supervision of the CND and the Interior, Agriculture, and Health Ministries.

**Public Awareness.** Afghan and U.S. authorities plan to initiate new public information campaigns to reach out to ordinary Afghans and "raise public awareness about the dangers of drugs and the illegal drug trade."<sup>70</sup> The campaigns will supplement existing public information efforts designed to reduce demand for illegal

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<sup>68</sup> Amin Tarzi, "Afghan Drug Enforcer Accuses Official of Involvement in the Trade," RFE/RL Afghanistan Report, September 1, 2004.

<sup>69</sup> David Shelby, "United States to Help Afghanistan Attack Narcotics Industry," *Washington File*, U.S. Department of State, November 17, 2004.

<sup>70</sup> Ibid.

drugs within Afghan society and spread awareness of the Afghan government's opium poppy cultivation bans and drug laws. The Afghan government has established a public awareness strategy that enlists local community and religious leaders to support the government's counternarcotics policies and encourages them to speak out in their communities against drug use and involvement in the opium trade. This effort has been supported by Islamic leaders from Afghanistan's General Council of Ulema who issued a *fatwa* or religious ruling in August 2004 that declared poppy cultivation to be contrary to Islamic *sharia* law.<sup>71</sup>

**Judicial Reform.** New judicial reform efforts are planned to further enable Afghan authorities to enforce counternarcotics laws and prosecute prominent individuals involved in narcotics trafficking. Italian and U.S. authorities have worked with Afghan officials to reform Afghanistan's legal system since the fall of the Taliban in late 2001. In addition to advising and assisting in the development of new counternarcotics laws, State Department and USAID programs have provided training for a number of Afghan prosecutors, judges, and defense counsel. Approximately 27,000 Afghan police have graduated from INL-sponsored training facilities. U.S. and German authorities plan to train 50,000 border and national police by December 2005. New reform efforts plan to develop special prosecution teams to investigate and prosecute prominent figures in the Afghan opium trade. The U.S. also plans to provide construction assistance for courts and high-security prisons.

**Alternative Livelihood Development.** In order to provide viable alternatives to opium poppy cultivation and drug production, U.S. officials are planning new development initiatives that are designed to focus on the expansion of transportation and agricultural market infrastructure and the provision of seeds, fertilizers, and micro-credit loans to support farmers and their families. The new efforts will build on existing USDA and USAID programs to develop integrated agricultural markets chains (i.e. systems of linked processing facilities, storage areas, roads, and market stalls) and restore wheat and other cereal crop production levels. New initiatives will directly target poppy growing areas and be closely linked with eradication and public information campaigns. Japan and Iran have provided funding to support agricultural development efforts in Afghanistan. The British Department for International Development also sponsors alternative livelihood programs.<sup>72</sup>

**Interdiction.** In addition to ongoing international narcotics and precursor interdiction initiatives under Operation Containment and Operation Topaz, U.S. officials reportedly plan to provide increased support to interdiction efforts inside of Afghanistan, including the "destruction of clandestine processing labs, ...supplies of

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<sup>71</sup> Afghan Religious Scholars Urge End To Opium Economy, *Associated Press*, Aug. 3, 2004.

<sup>72</sup> Ben Russell, "Afghans Warned They Face Bleak Future Unless Illegal Heroin Trade Is Curbed," *The Independent* (London), February 9, 2004.



chemical precursors, ...and stockpiles of refined opiates.”<sup>73</sup> U.S. military forces in Afghanistan do not plan to directly target drug production facilities or begin pursuing drug traffickers as part of this new initiative.<sup>74</sup> Current rules of engagement allow U.S. forces to seize and destroy drugs and drug infrastructure discovered during the course of routine military operations.<sup>75</sup>

British forces currently direct a multilateral central targeting operation that identifies opiate warehouses and processing facilities for destruction. British Customs and Excise authorities also work with Afghan officials through mobile heroin detection units in Kabul. British military forces reportedly will operate under more permissive rules of engagement that will allow them to carry out “opportunistic strikes” against narcotics infrastructure and to support Afghan eradication teams with a “rapid-reaction force.” British officials also have discussed proposals to transfer 5,000 troops to the major opium growing provinces of Helmand and Kandahar in 2006, when the United Kingdom is scheduled to assume control over provincial reconstruction teams there.<sup>76</sup>

U.S. forces have provided intelligence and air support to Afghan and British forces during UK-led interdiction missions, including the destruction of heroin laboratories and opiate storage warehouses. Current U.S. initiatives that have supplied Afghan counternarcotics and border police with tents, boots, communication equipment, and training are expected to continue. Defense Department and military personnel plan to focus future efforts on further improving Afghanistan’s border security and providing greater intelligence support to Afghan law enforcement officials through a joint military/DEA “intelligence fusion center.” Contracts for the center’s construction have been awarded.

The DEA has expanded its presence in Afghanistan since January 2003, although in the past DEA officials have cited restrictions on the capabilities and freedom of movement of their staff in Afghanistan due to a general lack of security outside of Kabul. The DEA maintains field offices in Uzbekistan and Pakistan that plan to continue working with local counternarcotics officials on intelligence gathering and interdiction missions.<sup>77</sup> During 2004, the DEA also conducted Drug Unit Commander training courses for counternarcotics managers from a number of

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<sup>73</sup> Shelby, “U.S. to Help Afghanistan Attack Narcotics Industry,” *Washington File*, November 17, 2004.

<sup>74</sup> Defense Department response to CRS inquiry, November 12, 2004.

<sup>75</sup> Testimony of Thomas W. O’Connell, Assistant Secretary of Defense for Special Operations and Low-intensity Conflict Before House International Relations Committee, February 12, 2004; and Defense Department response to CRS inquiry, November 12, 2004.

<sup>76</sup> Jason Burke, “British to Destroy Afghan Heroin,” *Observer* (London), December 5, 2004; and Nick Meo, “Iraq: Up to 5,000 British Troops Sought for Afghanistan Drugs Crackdown,” *Independent On Sunday* (London), December 5, 2004.

<sup>77</sup> Testimony of Steven W. Casteel, Assistant Administrator for Intelligence, Drug Enforcement Administration, before the Senate Judiciary Committee, May 20, 2003.

countries through which Afghan opiates are trafficked. On November 17, the DEA announced plans to deploy DOD-supported Foreign Advisory and Support Teams (FAST) to Afghanistan “to provide guidance and conduct bilateral investigations that will identify, target, and disrupt illicit drug trafficking organizations.” The teams “also will help with the destruction of existing opium storage sites, clandestine heroin processing labs, and precursor chemical supplies.”<sup>78</sup>

**Eradication.** Plans developed by the Department of State, in consultation with Afghan authorities, call for early and more robust opium poppy eradication measures for the 2004-2005 growing season to provide a strong deterrent to future cultivation. In September 2004, INL Assistant Secretary Robert Charles testified that current plans call for Afghan eradication teams to destroy 20,000 to 30,000 hectares of opium poppy by hand. Expanded central government eradication forces will be employed with support from U.S. advisors and international contractors. The plans mark a departure from previous eradication campaign strategies, which largely relied upon governors and local authorities to target and destroy crops. For more on eradication plans and policy see below.

## Issues for Congress

Experts and government officials have warned that narcotics trafficking may jeopardize the success of international efforts to secure and stabilize Afghanistan. U.S. officials believe that efforts to reverse the related trends of opium cultivation, drug trafficking, corruption, and insecurity must expand if broader strategic objectives are to be achieved. The State Department has outlined a broad interagency initiative to assist Afghan authorities in combating the narcotics trade, but key questions concerning the scope and specifics of new U.S. efforts remain to be answered. Primary issues of interest include program funding, the role of the U.S. military, and the scope and nature of eradication and development assistance initiatives in the coming months. The 108<sup>th</sup> Congress addressed the issue of counternarcotics in Afghanistan in intelligence reform proposals, and the 109<sup>th</sup> Congress may consider new counternarcotics proposals.

## Breaking the Narcotics-Insecurity Cycle

Critics of existing counternarcotics efforts have argued that Afghan authorities and their international partners remain reluctant to directly confront prominent individuals and groups involved in the opium trade because of their fear that confrontation will lead to internal security disruptions or armed conflict with drug-related groups. Afghan authorities have expressed their belief that “the beneficiaries of the drugs trade will resist attempts to destroy it,” and have argued that “the political risk of internal instability caused by counternarcotics measures” must be

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<sup>78</sup> DEA to Play Key Role in New Heroin Interdiction Program for Afghanistan, November 17, 2004. Available at [<http://www.dea.gov/pubs/pressrel/pr111704.html>].

balanced “with the requirement to project central authority nationally” for counternarcotics purposes.<sup>79</sup> Conflict and regional security disruptions have accompanied previous efforts to expand crop eradication programs and to implement central government counternarcotics policies.

U.S. officials have identified regional security and rule of law as prerequisites for effective counternarcotics policy implementation.<sup>80</sup> Although an increasing number of Afghan police, security forces, and counternarcotics authorities are being trained by U.S. and coalition officials, the size and capability of Afghan forces may limit their power to effectively challenge entrenched drug trafficking groups and regional militia in the short term. Specifically, questions remain as to whether Afghan security and counternarcotics forces alone will be able to establish the security conditions necessary for the more robust eradication, interdiction, and alternative livelihood programs planned by U.S. and Afghan officials.

## **Balancing Counterterrorism and Counternarcotics**

Afghan and coalition authorities also must consider difficult political choices in confronting corrupt officials, militia leaders, and narcotics traffickers. Regional and local militia commanders with alleged links to the opium trade played significant roles in coalition efforts to undermine the Taliban regime and capture Al Qaeda operatives, particularly in southeastern Afghanistan. Since late 2001, some of these figures have been incorporated into government and security structures, including positions of responsibility for enforcing counternarcotics policies.<sup>81</sup> According to Afghanistan scholar Barnett Rubin, “the empowerment and enrichment of the warlords who allied with the United States in the anti-Taliban efforts, and whose weapons and authority now enabled them to tax and protect opium traffickers,” have provided the opium trade “with powerful new protectors.”<sup>82</sup> Pragmatic decisions taken since 2001 to prioritize counterterrorism operations and current plans to enforce counternarcotics policies more strictly may conflict with each other, forcing Afghan and coalition authorities to address seemingly difficult contradictions.

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<sup>79</sup> National Drug Control Strategy, Transitional Islamic State of Afghanistan, May 18, 2003.

<sup>80</sup> “Without an organized security force or the rule of law, the drug trade and crime will undermine efforts to create stable recovery in Afghanistan.” Paul E. Simons, Acting Assistant Secretary of State for International Narcotics and Law Enforcement Affairs before the House Committee on Government Reform, July 9, 2003.

<sup>81</sup> See Syed Saleem Shahzad, “U.S. Turns to Drug Baron to Rally Support,” *Asia Times*, Dec. 4, 2001; Charles Clover and Peronet Despeignes, “Murder Undermines Karzai Government,” *Financial Times*, July 8, 2002; Susan B. Glasser, “U.S. Backing Helps Warlord Solidify Power,” *Washington Post*, Feb. 18, 2002; Ron Moreau and Sami Yousafzai, with Donatella Lorch, “Flowers of Destruction,” *Newsweek*, July 14, 2003; Andrew North, “Warlord Tells Police Chief to Go,” *BBC News*, July 12, 2004; Steven Graham, “Group: Warlords to Hinder Afghan Election,” *Associated Press*, Sep. 28, 2004; and Anne Barnard and Farah Stockman, “U.S. Weighs Role in Heroin War in Afghanistan,” *Boston Globe*, Oct. 20, 2004.

<sup>82</sup> Rubin, “Road to Ruin: Afghanistan’s Booming Opium Industry,” October 7, 2004.

“Tactical” coalition allies in militia and other irregular forces with ties to the drug trade may inhibit the ability of the central government to extend its authority and enforce its counternarcotics policies. These issues may weigh strongly in decision concerning the feasibility and prospects for success of continuing counterterrorism and counternarcotics operations.

## Defining the Role of the U.S. Military

Some observers have argued that U.S. and coalition military forces should play an active, direct role in providing security for counternarcotics operations and targeting the leaders and infrastructure of the opiate trade. Although U.S. Central Command (CENTCOM) officials have indicated that “the DoD counter-narcotics program in Afghanistan is a key element of our campaign against terrorism,”<sup>83</sup> military officials reportedly have resisted the establishment of a direct counternarcotics role for U.S. forces in Afghanistan. Critics claim that a direct role for U.S. or coalition forces may alienate them from the Afghan population, jeopardize ongoing counterterrorism missions that require Afghan intelligence support, and divert already stretched military resources from direct counter-insurgent and counterterrorism operations. Press reports in October 2004 quoted unnamed “defense sources” as saying that “some senior officers inside the Pentagon,” specifically “the Joint Staff,” are resisting the definition of a larger, direct role for U.S. military forces in counternarcotics operations in Afghanistan.<sup>84</sup> In a September 2004 letter to the Director of the Office of National Drug Control Policy, House Committee on International Relations Chairman Henry Hyde cited “a clear need” for military strikes against “opium storage dumps and heroin laboratories” in calling for a broader engagement of U.S. forces. Hyde also proposed the creation of a “military counternarcotics battalion of troops from places like Turkey” if U.S. troops are unwilling or unable to carry out counternarcotics strikes.<sup>85</sup>

## Redefining Eradication

Accusations of government corruption have accompanied the implementation of Afghanistan’s previous opium poppy eradication campaigns, and critics cite growing opium poppy cultivation figures as evidence that eradication has failed to serve as a credible deterrent for Afghan farmers. Afghan farmers have accused district authorities responsible for implementing Afghanistan’s opium poppy

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<sup>83</sup> “U.S. CENTCOM views narcotrafficking as a significant obstacle to the political and economic reconstruction of Afghanistan... Local terrorist and criminal leaders have a vested interest in using the profits from narcotics to oppose the central government and undermine the security and stability of Afghanistan.” Major Gen. John Sattler, USMC, Dir. of Operations - US CENTCOM before the House Committee on Government Reform Subcommittee on Criminal Justice, Drug Policy, and Human Resources, April 21, 2004.

<sup>84</sup> Testimony of Mary Beth Long, DASD for Counternarcotics, HIRC, June 2, 2004.

<sup>85</sup> Rowan Scarborough, “Military Resists Afghan Drug War,” *Washington Times*, October 14, 2004.

eradication programs of selectively targeting poppy fields for destruction based on the ability and willingness of farmers and landowners to pay bribes. Accounts have also surfaced of low-yield or diseased crops being targeted for destruction in order to meet quotas and minimize backlash from local farmers. Some local authorities have reportedly negotiated eradication targets with landowners and used bribes to compensate farmers for their crops.<sup>86</sup>

U.S. and Afghan authorities maintain that crop eradication is an effective means of deterring and reducing opium poppy cultivation. However, some observers and officials have expressed concern about the safety of and the effectiveness of eradication efforts. Proponents of swift, widespread eradication argue that destroying 2004-2005 opium poppy crops in large volumes is necessary in order to establish a credible deterrent. Critics of widespread, immediate eradication argue that eradication in the absence of existing alternative livelihood options may contribute to the likelihood that farmers will cultivate opium poppy in the future by driving up opium prices and deepening opium based debt. Afghanistan's National Drug Control Strategy expects that farmers with a "legacy of debt" will find that their "situation will be exacerbated by eradication efforts." A September 2004 British government report argues that "if not targeted properly, eradication can have the reverse effect and encourage farmers to cultivate more poppy to pay off increased debts."<sup>87</sup>

Policy makers are also likely to engage in further debate concerning the option of aerial eradication and its possible risks and rewards. Afghan government officials would have to approve any aerial spraying operation undertaken by U.S. or coalition forces in Afghanistan. Reports suggest that some discussion has taken place among Afghan and U.S. authorities concerning the introduction of aerial eradication programs to Afghanistan, although on November 18, 2004, Afghan President Hamid Karzai expressed his categorical opposition to the use of aerial eradication, citing public health and environmental safety concerns.<sup>88</sup> INL Assistant Secretary Charles has said that although future aerial eradication in Afghanistan is "conceivable," it would require the introduction of airframes and military support aircraft that exceed current U.S. capabilities in the region.<sup>89</sup> Aerial eradication programs, if employed in the future, could feature the use of chemical herbicide such as the glyphosate compound currently used in Colombia. The use of mycoherbicides, or fungal

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<sup>86</sup> Nick Jackson, "Record Poppy Crop Makes Mockery of Afghanistan's 'Jihad' on Opium," *Independent on Sunday* (London), April 18, 2004.

<sup>87</sup> Response of the Secretary of State for Foreign and Commonwealth Affairs (UK) to the Seventh Report from the House of Commons Foreign Affairs Committee, September 2004.

<sup>88</sup> Office of the Spokesperson to the President — Transitional Islamic State of Afghanistan, "About the Commitment by the Government of Afghanistan to the Fight Against Narcotics and Concerns About the Aerial Spraying of Poppy Fields." Available at [<http://www.embassyofafghanistan.org/pdf%27s/Press/111804FightAgainstNarcotics.pdf>]

<sup>89</sup> Charles, Testimony before the House International Relations Committee, Sept. 23, 2004.

herbicides, also has been discussed in recent Congressional testimony.<sup>90</sup> Some mycoherbicide technologies have been developed with U.N., U.K., and U.S. support at the Institute of Genetics and Experimental Biology, a former Soviet biological warfare facility in Tashkent, Uzbekistan.<sup>91</sup> Mycoherbicide tests continue, although USDA officials and others have expressed various concerns about their use.<sup>92</sup>

Reports of unauthorized aerial spraying in eastern Nangarhar province in mid-November 2004 angered Afghan officials and led to an investigation by the Afghan Ministries of Agriculture and Health of claims that crops had been sprayed with herbicides by unidentified aircraft. The government investigation reportedly revealed that unidentified chemicals were present in soil samples, that non-narcotic crops had been destroyed, and that an increase in related illnesses in local villages had occurred. Afghan officials have cited U.S. control of Afghan airspace in their subsequent demands for an explanation. U.S. and British officials have denied involvement in the spraying and assured Afghan authorities that they support President Karzai's position.<sup>93</sup> In early December 2004, U.S. Ambassador to Afghanistan Zalmay Khalilzad told reporters in Kabul that "I can say categorically that the U.S. has not done it and the U.S. has not contracted or subcontracted anyone to do it." Khalilzad suggested that "some drug-associated people may have done this in order to create the sort of distrust and problem between Afghanistan and some of its allies."<sup>94</sup>

## Counternarcotics Funding

Funding for U.S. counternarcotics operations in Afghanistan consists of program administration costs and financial and material assistance to Afghan counternarcotics authorities. The following funding has been provided for U.S. counternarcotics activities in Afghanistan for FY2002 to FY2005:

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<sup>90</sup> Ibid.

<sup>91</sup> See Nicholas Rufford, "Secret Bio-weapon Can Wipe Out Afghan Heroin," *Sunday Times* (London), May 26, 2002; Antony Barnett, "UK in Secret Biological War on Drugs," *Observer* (London), Sep. 17, 2000; Juanita Darling, "Fungi May Be the Newest Recruits in War on Drugs Colombia," *Los Angeles Times*, Aug. 30, 2000; and *BBC - Panorama*, "Britain's Secret War On Drugs," October 2, 2000. Available at [<http://news.bbc.co.uk/2/hi/programmes/panorama/948102.stm>]

<sup>92</sup> According to a USDA official, "The Department of Agriculture, as an agency, is opposed to the idea [of using mycoherbicides in Afghanistan]: The science is far from complete; There are real environmental and possible human health negative implications; There are very real image problems... the use of any agent like this would be portrayed as biological warfare." USDA response to CRS inquiry, October 19, 2004.

<sup>93</sup> See David Brunnstrom, "Afghans Committed to Drug War But Against Spraying," *Reuters*, Nov. 19, 2004; and Stephen Graham, "Afghan Government Concerned at Spraying of Opium Crops by Mystery Aircraft," *Associated Press*, November 30, 2004.

<sup>94</sup> Carlotta Gall, "Afghan Poppy Farmers Say Mystery Spraying Killed Crops," *New York Times*, December 5, 2004, and Reuters, "U.S. says drug lords may have sprayed Afghan opium," December 2, 2004.

- In FY2002, INL requested \$3 million for its Southwest Asia Initiative, which provided funding for counternarcotics programs in Pakistan and Afghanistan. Following the terrorist attacks of September 11, 2001, INL developed a broader \$60 million counternarcotics program for Afghanistan using funds available in the Department of State's International Narcotics Control and Law Enforcement (INCLE) account from the FY2002 Supplemental Appropriations Act (P.L. 107-206).
- In FY2003, INL requested \$3 million for the Southwest Asia Initiative. INL also received \$25 million for Afghanistan in the INCLE account from the FY2003 Emergency Wartime Supplemental Appropriations Act (P.L. 108-11).
- In FY2004, INL received \$220 million for counternarcotics activities in Afghanistan drawn from the FY2004 Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan (P.L. 108-106, \$170 million) and \$50 million in reprogrammed funds originally appropriated as part of the \$40 billion Emergency Response Fund established in the aftermath of the September 11<sup>th</sup> attacks (P.L. 107-38). Of the \$170 million in supplemental funds, \$110 million has been channeled toward police training and judicial reform.
- FY2004 was the first year the Defense Department received funding for counternarcotics activities in Afghanistan. Under the FY2004 Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan (P.L. 108-106) the Defense Department received \$73 million. As of November 2004, the Defense Department has spent \$72.4 million for counternarcotics program in FY2004.
- For FY2005, INL requested \$90 million for Afghanistan in regular program funds. INL will receive \$328,820,000 in the INCLE account according to the Foreign Operations title of the FY2005 omnibus spending bill. INL funding was not specifically earmarked for counternarcotics activities in Afghanistan.
- The FY2005 Defense Appropriations Act (P.L. 108-287) does not specifically appropriate funds for Defense Department counternarcotics in Afghanistan.

A November 17, 2004 State Department press release outlining "Plan Afghanistan" estimates that "the United States expects to spend approximately \$780 million" to support Afghan counternarcotics efforts during 2005. State Department officials have stated that increased FY2005 spending will be drawn from reprogrammed funds from the Foreign Operations Account and other non-State Department accounts to match immediate requirements. The State Department, Defense Department, USAID, and DEA all reportedly will reprogram funds.

## Appendix A

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